

NINE MILE FALLS SCHOOL DISTRICT No. 325/179
Spokane County, Washington
September 1, 1994 Through August 31, 1995

Schedule Of Findings

1. Coordination Of Enrollment Reporting Between The District And The Spokane Skills Center Should Be Improved

The district is a member of the Spokane Skills Center cooperative. The Spokane Skills Center is a cooperative involving eight Spokane area school districts. Spokane School District No. 81 operates the half-day programs which offer high school students a variety of occupational courses. Our comparison of the district and the Spokane Skills Center enrollment reports revealed that students were overclaimed. Students were claimed in combination by Spokane School District No. 81 and the district up to 1.1 full-time equivalent on monthly enrollment reports submitted to the Superintendent of Public Instruction (SPI).

Washington Administrative Code (WAC) 392-121-136 states in part:

... no student, including a student enrolled in more than one school district, shall be counted as more than one full-time-equivalent student on any count date or more than one annual average full-time-equivalent student in any school year

WAC 392-121-122 defines full-time-equivalent, for students in grades 7 through 12, as twenty-five hours each week, or five hours (300 minutes) each scheduled school day.

Students exceeded one full-time-equivalent because enrollment reporting was not coordinated between the district and the Spokane Skills Center.

Since SPI uses the monthly enrollment reports as a basis for state funding, the district may have been overpaid. We were unable to estimate the amount due to the apportionment formulas applied by SPI.

We recommend the district, in cooperation with the Spokane Skills Center, implement written policies and procedures to ensure monthly enrollment reporting complies with statutes. We further recommend the district contact SPI to determine the amount of any repayment required.

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September 1, 1994 Through August 31, 1995

Schedule Of Federal Findings

1. The District Should Accurately Report Special Education Enrollment To The Superintendent Of Public Instruction

The district does not have an adequate internal control system to ensure that only eligible students are included on the monthly report of school district Special Education Enrollment (P-223H report) submitted to the Superintendent of Public Instruction (SPI). During our audit of the district's special education enrollment reporting system, we found the district routinely included ineligible students on the P-223H report. Our testing found that the district reported at least 16 ineligible students. These ineligible students were included on the P-223H report which is used to provide state apportionment money to the district. This system of reporting special education has not materially changed since 1990.

We selected 57 students who were included on the fiscal year 1995 P-223H reports and identified as ineligible on the district's special education exception reports. Our testing of these 57 student files found 16 students were not eligible to be reported for three months or more during the year. This equates to 8 3/4 full-time-equivalents (FTE) special education students. Based on our testing, the error rate for 1995, is at least 3.9 percent (8 3/4 FTE divided by 220, the average total reported).

We have projected the amount of overpayment the district has received from SPI by multiplying the error rate percentage (3.9 percent) times the total amount of federal money received during fiscal year 1994-95. As a result, we question \$2,406 of federal special education money (CFDA 84.027). We did not question federal costs related to money received in the preceding fiscal years. This is a result of SPI's resolution of questioned costs at other school districts with this finding. However, the same condition existed in the preceding fiscal years at this district. Due to the apportionment formulas used by SPI, we were unable to project accurately, the overpayment of state special education funding the district received.

The *Washington Administrative Code* (WAC) 392-171 defines the criteria which must be met in order for a student to be included on the Form P-223H report.

Additionally, SPI Administrative and School Business Services Bulletin No. 36-94, Section V, Part L., Documentation of Enrollment for Audit, states in part:

Enrollment reporting errors found in an audit generally require revised reports and adjustments to state apportionment

By reporting ineligible students in the P-223H report, the district has received excess state and federal funding for which they were not entitled.

The district's management does not have an adequate system for adjusting their special

education enrollment reports to remove identified ineligible students.

We recommend the district contact the federal Department of Education and SPI to determine the amount of repayment required. We further recommend that only eligible special education students be reported to SPI.